BOARD OF GOVERNORS, URANIUM CITY HOSPITAL

FINANCIAL STATEMENTS

For the Year Ended March 31, 2004

2007-00149

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Board of Governors, Uranium City Hospital as at March 31, 2004 and the statements of operations and changes in fund balances, and cash flows for the year then ended. The Hospital's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board of Governors, Uranium City Hospital as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
March 1, 2006

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF FINANCIAL POSITION
As at March 31

	2004			2003
	Operating Fund	Capital Fund	Total	Total
ASSETS				
Current Assets				
Cash	$ 335,062	$ 3,012	$ 338,074	$ 568,560
Accounts Receivable	9,883	-	9,883	42,429
Inventory (Note 3(b))	-	-	-	41,785
Prepaid Expenses	-	-	-	6,928
	344,945	3,012	347,957	659,702
Capital Assets (Note 3(c) and 4)	-	1	1	38,317
Total Assets	$ 344,945	$ 3,013	$ 347,958	$ 698,019
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 7,831	$ -	$ 7,831	$ 108,668
Accrued Salaries and Vacation Pay	-	-	-	117,472
	7,831	-	$ 7,831	226,140
FUND BALANCES				
Investment in Capital Assets	-	-	-	38,317
Externally Restricted (Note 3 (a)(ii))	-	3,013	3,013	3,012
Unrestricted	337,114	-	337,114	430,550
Fund Balances (Statement 2)	337,114	3,013	340,127	471,879
Total Liabilities and Fund Balances	$ 344,945	$ 3,013	$ 347,958	$ 698,019

(See accompanying notes to the financial statements)

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the Year Ended March 31

	2004			2003
	Operating Fund	Capital Fund	Total	Total
Revenues				
Saskatchewan Health - General Revenue Fund	$ 326,981	$ -	$ 326,981	$ 1,625,320
Income and recoveries	2,720	-	2,720	49,446
Interest Income	11,528	-	11,528	17,800
Ancillary operations	3,550	-	3,550	25,100
	344,779	-	344,779	1,717,666
Expenses				
Administration	157,232	3,061	160,293	310,877
Housekeeping and laundry	21,443	-	21,443	77,933
Maintenance	54,959	-	54,959	246,056
Dietary	18,581	-	18,581	162,833
Acute Care	144,289	-	144,289	698,919
Laboratory and x-ray	6,655	-	6,655	186,016
Ancillary operations	15,595	-	15,595	76,698
Total (Schedule 1)	418,754	3,061	421,815	1,759,332
Net loss from operations	(73,975)	(3,061)	(77,036)	(41,666)
Loss on disposal of capital assets (Note 3(c))	-	(30,961)	(30,961)	-
Loss due to revaluation of assets (Note 3 (b), (c) and (e))	(19,461)	(4,294)	(23,755)	-
Net loss	(93,436)	(38,316)	(131,752)	(41,666)
Fund balances, beginning of year	430,550	41,329	471,879	513,545
Fund balances, end of year	$ 337,114	$ 3,013	$ 340,127	$ 471,879

(See accompanying notes to the financial statements)

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	Operating Activities		Financing and Investing Activities	
	Operating Fund		Capital Fund	
	2004	2003	2004	2003
Cash used in:				
Net loss	$ (93,436)	$ (29,423)	$ (38,316)	$ (12,243)
Non-Cash Expense				
- amortization of capital assets	-	-	3,061	12,243
- loss on disposal of capital assets	-	-	30,961	-
- loss due to revaluation of assets	19,461	-	4,294	-
Net change in non-cash working capital (Note 8)	(156,511)	167,022	-	-
Net (decrease) increase in cash	(230,486)	137,599	-	-
Cash, beginning of year	565,548	427,949	3,012	3,012
Cash, end of year	$ 335,062	$ 565,548	$ 3,012	$ 3,012

(See accompanying notes to the financial statements)

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2004

1. Authority

The Board of Governors, Uranium City Hospital was established June 5, 1995 by Order in Council #508/95 under *The Public Health Act* to operate the Uranium City Hospital.

The Minster of Municipal Government held the net assets and operated the Hospital on behalf of the Northern Settlement of Uranium City prior to establishment of the Board. By Order dated April 25, 1996, under Section 120 (1) of *The Northern Municipalities Act*, the Minister transferred the net assets to the Board effective June 5, 1995 for no monetary consideration.

2. Discontinued Operations

On June 2, 2003 the Uranium City Hospital ceased delivering health services. An Order in Council has not yet been issued to dissolve the Board of Governors, Uranium City Hospital.

These financial statements have not been prepared in accordance with accounting principles that apply to a going concern. Due to the hospital closure on June 2, 2003 the Board has prepared the statements based on realizable value as the going concern assumption is no longer appropriate. These financial statements reflect adjustments that are necessary to revalue the accounts receivable, inventory and capital assets to net realizable value.

3. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies are summarized as follows:

a) Fund Accounting

The accounts of the Board are maintained in accordance with the principles of restricted fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

i Operating fund

The operating fund reflects the primary operations of the Board until the hospital closure. These include revenues received for provision of health services from Saskatchewan Health - General Revenue Fund, and billings to patients, clients, and other agencies for patient and client services. Other revenue consists of recoveries and ancillary operations. Expenses are for the delivery of health services.

ii Capital fund

The capital fund reflects the equity of the Board in capital assets. The capital fund includes revenues received from Saskatchewan Health - General Revenue Fund designated for the acquisition of capital assets. Expenses consist of amortization of capital assets.

b) Inventories

Inventory consists of medical, surgical, pharmacy, fuel oil and other supplies.

Inventories are valued at the lower of cost and net realizable value, with cost determined by the first-in first-out (FIFO) method.

In July of 2003, at the direction of Saskatchewan Health, remaining inventory was transferred to the Athabasca Health Authority for no consideration which resulted in a loss of $7,787.

c) Capital Assets

Capital assets are recorded at cost. Cost is amortized over the useful life of the assets.

Amortization has been taken on the straight-line basis at the rate of 10% - 20% on equipment. The building was amortized on a straight-line basis over its useful life.

In July of 2003, at the direction of Saskatchewan Health, moveable equipment was transferred to the Athabasca Health Authority for a consideration of $10 which resulted in a loss of $30,961.

Due to the closure, land has been written down to a fair value of $1 which resulted in a loss of $4,294.

d) Revenue

Contributions, including operating funding from Saskatchewan Health - General Revenue Fund, is included as revenue in the year in which it is received or receivable.

e) Accounts Receivable

In July 2003, accounts receivable were written down to a realizable value of $9,883 which resulted in a loss of $11,674.

f) Pensions

The Board expenses all contributions it is required to make to the multi-employer defined benefit pension plan in the year.

4. Capital Assets

	2004				2003
	Cost	Accumulated Amortization	Loss on Disposal of Capital Assets	Net Carrying Amount	Net Carrying Amount
Land	$ 4,295	$ -	$ 4,294	$ 1	$ 4,295
Building	1,444,979	1,444,979	-	-	-
Equipment	497,375	466,414	30,961	-	34,022
	$ 1,946,649	$ 1,911,393	$ 35,255	$ 1	$ 38,317

5. Related Party Transactions

Included in these financial statements are transactions with related parties. These related parties include various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan and non-crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan.

The Board purchased heating fuel and oil from Uranium City Bulk Fuel, the owner of which is the chairperson of the Board.

The Board purchased office services from the accounting firm of Stewart Gee and Associates, one of whose partners is the chief financial officer of the hospital.

Routine operating transactions with related parties are settled at standard rates charged by the organizations under normal trade terms. These transactions and amounts outstanding at year end are included in the financial statements and the table below:

	2004	2003
Related Parties, Expenses		
Uranium City Bulk Fuel	$ 24,735	$147,210
SAHO	14,261	54,826
Stewart Gee and Associates	24,798	45,019
Sask Power	8,190	19,497
Sask Tel	5,912	17,837
Others	15,555	13,364

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

6. Pensions

Employees of the Board participate in the retirement plan of the Saskatchewan Health Care Employees' Pension Plan (a related party) which is a multi-employer defined benefit pension plan. The Board's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $3,276 (2003 - $13,811).

7. Acute Care

Acute care expenses include nursing and support services. However, it does not include salaries paid to doctors. Doctors are paid by Northern Medical Services and this expense is not reflected in the financial statements.

8. Net Change in Non-Cash Working Capital

	Operating Fund	
	2004	2003
Decrease in accounts receivable	$ 20,872*	$ 42,116
Decrease in inventories	33,998*	13,410
Decrease in prepaid expenses	6,928	26,597
(Decrease) increase in accounts payable	(100,837)	27,013
(Decrease) increase in accrued salaries and vacation payable	(117,472)	57,886
	$ (156,511)	$ 167,022

* These amounts exclude losses due to the revaluation of assets as those amounts are disclosed elsewhere on the Statement of Cash Flows.

9. Subsequent Event

On August 25, 2004, the Board transferred $318,000 to the Athabasca Health Authority at the direction of Saskatchewan Health. On May 25, 2005, Saskatchewan Health assumed responsibility for liabilities of the Uranium City Hospital.

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
SCHEDULE OF EXPENSES BY OBJECT
For the Year Ended March 31

	2004	2003
Operating Expenses		
Salaries and other benefits	$ 198,249	$ 1,072,606
Medical, surgical, drugs, and other patient supplies	5,508	70,174
Utilities	32,028	135,187
Repairs and maintenance	1,634	12,727
Dietetic/ food supplies	2,874	22,364
Staff education and travel	51,085	188,494
Other		
- board expenses	7,236	11,326
- administrative	104,870	156,746
- housekeeping	-	1,577
- ancillary operations	15,270	75,888
Total Operating Expenses	418,754	1,747,089
Capital Expenses		
Amortization	3,061	12,243
Total Capital Expenses	3,061	12,243
Non-Operating Expenses		
Loss on disposal of capital assets	30,961	-
Loss due to revaluation of assets	23,755	-
Total Non-Operating Expenses	54,716	-
Total Expenses	$ 476,531	$ 1,759,332